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IDAHO PUBLIC
UTILITIES COMMISSION

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July 1, 2013

VIA OVERNIGHT DELIVERY

Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

Attention: Jean D. Jewell
Commission Secretary

Re: PacifiCorp Notice of Affiliate Transaction
Case No. PAC-E-05-8

Dear Ms. Jewell:

This letter will serve as notice pursuant to Commitment I 17(2), incorporated in the Idaho Public Utilities Commission Order No. 29973 issued February 13, 2006, as supplemented by Order No. 29998 March 14, 2006, in the above-referenced proceeding, approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (MEHC), of an affiliate interest transaction with International Business Machines Corporation (IBM). The Company desires to enter into an Enterprise Software and Support Option (ESSO) with IBM to essentially combine existing agreements to achieve savings. A copy of the ESSO is included as Confidential Attachment A. This material contains commercially-sensitive information and is submitted under seal, and the Company requests that it be made confidential.

PacifiCorp is a wholly-owned indirect subsidiary of MEHC. MEHC is a subsidiary of Berkshire Hathaway, Inc (Berkshire Hathaway). As of March 31, 2010, Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway), Berkshire Hathaway, various subsidiaries of Berkshire Hathaway and various employee benefit plans of Berkshire Hathaway subsidiaries together held an interest in excess of 5 percent in IBM. Therefore, Berkshire Hathaway's ownership interest in IBM may create an affiliated interest in some PacifiCorp jurisdictions.

PacifiCorp has historically used a variety of technologies from IBM to support the delivery of key business functions. Specific functions provided by IBM include support for PacifiCorp's customer service and billing, support for enterprise reporting and analytics in the Enterprise Data Warehouse, support for Corporate Enterprise Content Management for document storage, archiving and retrieval, and support for optimization of energy trading activities. The ESSO will allow PacifiCorp to bundle certain software licensing purchases and support services to achieve significant savings over the term of the contract. PacifiCorp anticipates saving approximately \$800,900 over the next three years.

Jean D. Jewell
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The Company relies on software furnished by IBM to create and maintain critical business records. This software is proprietary to IBM; therefore, only IBM is able to provide service. Without the software furnished by IBM, many groups in the Company would not be able to perform necessary for business functions or prepare reports related to those business functions. Installing a different reporting system would require considerable time and expense. Additionally, PacifiCorp will be able to conserve expenses. Accordingly, the transaction is consistent with the public interest.

Please do not hesitate to contact me if you have any questions.

Best Regards,

A handwritten signature in blue ink that reads "Mark C. Moench". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark C. Moench
Senior Vice President and General Counsel
PacifiCorp

Enclosures

CONFIDENTIAL ATTACHMENT A

ENTERPRISE SOFTWARE AND SERVICES OPTION

**ATTACHMENT A IS CONFIDENTIAL AND WILL BE
PROVIDED UNDER SEPARATE COVER**